



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

March 11, 2008

MEMORANDUM

To: Representative Hraychuck

From: Marc E. Shovers, Sr. Legislative Attorney, (608) 266-0129
Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263
Debora A. Kennedy, Managing Attorney, (608) 266-0137

Subject: Technical Memorandum to **2007 AB 748** (LRB-2637/1) by **DOR**

We received the attached technical memorandum relating to your bill. This copy is for your information and your file.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

March 4, 2008

TO: Marc Shovers
Joseph Kreye
Debora Kennedy
Legislative Reference Bureau

FROM: Rebecca Boldt
Department of Revenue

SUBJECT: Technical Memorandum on Assembly Bill 748: Creating a Nonrefundable Individual and Corporate Income Tax Credit for Health Care Providers Who Provide Services to Medical Assistance Recipients at a Higher than Average Rate.

The Department has the following concerns related to the bill:

The bill does not designate how often the computation by the Department of Health and Family Services (DHFS) of the average rate of service to medical assistance recipients should be made. This should be clarified.

In order to complete tax forms, the average service rate should be required to be provided by DHFS to the Department of Revenue by July 31 of a given year. For example, since the department will be developing 2008 tax forms beginning in the summer of 2008, the department will need the average rate information by July 31, 2008, in order to incorporate that information in the 2008 tax instructions.

The bill does not designate for which year the rate information is to be provided. For example, if the department needs information by July 31, 2008, it is assumed it would have to be based on 2007 DHFS statistics. Thus the average rate information would have to be based on the calendar year preceding the July 31 date.

If you have any questions regarding this technical memorandum, please contact Brad Caruth at (608) 261-8984 or bradley.caruth@revenue.wi.gov.

cc: Representative Hraychuck